



**DEPARTMENT OF HUMAN SERVICES**  
**SENIORS & PEOPLE WITH DISABILITIES**  
**500 Summer Street NE E02**  
**Salem, Oregon 97301-1073**  
**Phone: (503) 945-5811**

**AUTHORIZED BY:** \_\_\_\_\_  
**SPD Assistant Director/**  
**Deputy Assistant Director/**  
**Administrator**

**INFORMATION MEMORANDUM**

**SPD-IM-01-109**

**Date: December 27, 2001**

**TO:** SPD District and Unit Managers  
Area Agency on Aging Directors

**SUBJECT: CBC Rate Restructure**

**INFORMATION:**

The 2001 Legislative Assembly approved community-based care rate restructuring to be effective January 1, 2002. Substantial changes have been made to the payment limitation rule. Separate Executive Letters will transmit rule and policy changes after adoption. This IM is intended to provide advance notice of those changes.

The rate restructure impacts service payment rates for Medicaid clients who live in adult foster homes (AFH) and residential care facilities (RCF).

Effective January 1, 2002, a "**base rate**" will be paid for all Medicaid clients who live in commercial (non-relative) AFHs and in RCFs. The monthly base rate will be \$917. The "**base rate**" for all Medicaid clients who live in relative AFHs will be \$700 per month.

In many cases, additional add-on payments may also be made. Clients may qualify for one, two or three add-on payments based on their needs. Each add-on payment will be \$225 per month. The determination of client qualification for an add-payment is based on the assessment and on information entered on the Client Assessment/Planning System (CA/PS) or entered on the SDS 360 when still in use.

Monthly rate	Commercial AFH and RCF	Relative AFH
Base rate	\$917	\$700
Base plus 1 add-on	\$1,142	\$925
Base plus 2 add-ons	\$1,367	\$1,150
Base plus 3 add-ons	\$1,592	\$1,375

Add-on payments will be made for a client who:

- Is dependent in eating OR mobility OR transferring; AND/OR
- Regularly demonstrates behaviors that pose a risk to him or herself or to others and requires regular intervention by the provider; AND/OR
- Has a complex health condition that requires regular observation and monitoring by a licensed healthcare professional.

More specific criteria are found in the Appendix to this IM.

### **Exceptional Payments:**

Exceptional payments may be requested only if the need for which the exception is requested is not encompassed in the services paid for by the base rate or by any of the add-ons. **All exception payments must be PRIOR AUTHORIZED by DHS central office staff.** Local offices will not be able to input adjustments to service rates on payment screens; that process must be completed by Central Office staff.

Steps in the authorization process are as follows.

1. Exception requests are sent to the Finance and Policy Analysis (FPA) Office of Rate Setting. Form 514x (January 2002 revision) must be used to transmit the request. All requested information on Form 514x must be completed. Local office management must indicate their approval of the request.
2. A review team from the SPD Office of Licensing and Quality of Care, the SPD Office of Home and Community Supports and from the Office of Rate Setting will review the request and recommend action to management. SPD staff will review client care needs and the proposed plan; FPA staff will review the cost of plan for reasonableness.
3. Exceptions will generally be approved or denied within 5 business days. Local offices will be notified of status of the request.

4. Requests should be sent to:

Department of Human Services  
Attention: Debbie Harms  
500 Summer Street NE, E18  
Salem, OR 97301-1074

Requests can be faxed to (503) 947-5044. Please mark the fax to Debbie Harms' attention. Requests can be E-mailed; however, a hard copy must be received by the Office of Rate Setting before the request will be acted upon. The E-mail address is [Debbie.Harms@state.or.us](mailto:Debbie.Harms@state.or.us).

**SYSTEM CHANGES:**

New payment rates as of January 1, 2002 will be automatically calculated and displayed. Local office staff will not need to hand adjust rates for any clients.

Oregon ACCESS will display the updated rate structure information on the living situation screen in the Client Assessment and Planning section.

**PROVIDER NOTIFICATION:**

Providers were notified about the changes by a letter from DHS that was mailed December 17, 2001. The letter included information about changes to payment rates for all Medicaid clients who lived in the home or facility on November 30. The same information was mailed to local offices on December 7, 2001.

**TRAINING:**

Office of Rate Setting staff will conduct training sessions on "Community-Based Care Rate restructuring" using NetCast. The training sessions will be interactive, using telephone conferencing for voice and computer applications to present the visual material.

Community-Based Care Rate Restructuring training sessions will include the following topics:

- The new payment structure
- Qualifying for add-on payments
- The new exceptional payment approval process
- New contract types

Four training sessions are currently scheduled; more can be added if necessary.

**CONTACT:**

Rate Restructure Issues: Julia Huddleston

**E-MAIL:** [julia.a.huddleston@state.or.us](mailto:julia.a.huddleston@state.or.us)

**TELEPHONE:** 503-945-6392 **FAX:** 503-947-5044

Exceptional Payments: Betew Hagos  
**E-MAIL:** [Betew.hagos@state.or.us](mailto:Betew.hagos@state.or.us)  
**TELEPHONE:** 503-945-5854 **FAX:** 503-947-5043

Exceptional Payments: Sarah Hansen  
**E-MAIL:** [sarah.l.hansen@state.or.us](mailto:sarah.l.hansen@state.or.us)  
**TELEPHONE:** 503-945-6465 **FAX:** 503-947-5043

System Issues: DHS-OIS Help Desk  
**E-MAIL:** [DHR\\_HELPDESK.HRB-05.DHR-HRB](mailto:DHR_HELPDESK.HRB-05.DHR-HRB)  
**TELEPHONE:** 888-HLP-DESK (888-457-3375)

# Rate Restructure 2002 Systems Changes Guide

## ***Background***

This guide describes the systems changes being made to support the 2002 rate structure and rates for Medicaid long-term care clients in commercial and relative Adult Foster Homes (AFH) and Residential Care Facilities (RCF). These changes are a result of state legislative action directing us to change both the way in which DHS determines service payment rates for Medicaid long-term care clients in adult foster homes and residential care facilities and the amount that the Division pays. The rules, policy and procedures were developed by the DHS, Finance and Policy Analysis (FPA) Office of Rate Setting using workgroups, hearings and other processes. Information about the process, the rules (Chapter 411 Division 027), the policy and the procedures is available in the related Executive Letter and Information Memorandums.

## ***Overview***

Adult foster home and non-contract residential care facility rates use the current five-level system for all payments for service periods through December 31, 2001. Effective January 1, 2002, payments will be based on a new system that features a base rate and three add-on payments. Eligibility for add-ons will be based on specific items recorded in the Client Assessment systems. Add-on information will display for the three categories as follows:

- ADL - Is dependent in eating OR mobility OR transferring;
- Behav - Regularly demonstrates behaviors that pose a risk to him or herself or to others and requires regular intervention by the provider;
- Med Mgmt - Has a complex health condition that requires regular observation and monitoring by a licensed healthcare professional.

Both the Oregon ACCESS CA/PS system and the mainframe JC-CAPS/360 system have been modified to determine eligibility for add-on payments. The Community Based Care payment system will use the levels, as it currently does, for service periods through 12/31/2001 and has been modified to use the new base rate/add-on structure for service periods beginning 1/1/2002 or after. It will still use provider type to retrieve rates from the rate tables (URAT) and the current payment differential between commercial and relative adult foster care is preserved.

The rate adjustment/exception information will no longer be entered into the JD-CBC-512 system on the RATZ screen. The system will use new exception authorization tables and the information will be entered on a special screen. The exception authorization tables will be used for all service periods (before and after 1/1/02). The information will still display on RATZ.

The systems change will involve several steps.

- 1) The regular SSB/SSI COLA and OSIP standards changes will be done 12/26. This creates CBC-512 records for the new year.  
Note: Last year a problem was reported that not all the need/resource codes amounts (for example, the OHI amount) were updated. This has been corrected.
- 2) The client assessment records will be converted to contain the new base and add-on service eligibility results.  
Note: If the client does not have a current client assessment no conversion will be done. The new information will be available when a new client assessment is done.
- 3) Information from the Oregon ACCESS and mainframe 360-DEMS systems will be loaded into the client assessment communication tables (viewed on SSEQ/SSEI).
- 4) The new exception authorization tables will be updated
  - all current exceptions will expire 12/31/01 but will be added for historic purposes
  - exceptions for 2002 that have been approved through the new process will be uploaded to the file
- 5) The CBC-512 records for 2002 will be updated with the new rates and exception amounts.
- 6) Printed 512 forms will be generated and mailed. The local offices will receive a report showing the conversion results and new rates.

Report all issues to the DHS-OIS Help Desk. This provides a central clearing place so that problems can be identified quickly, routed to the right area and addressed.

DHS-OIS Help Desk      (503) 945-5623  
1-888-HLP-DESK      1-888-457-3375  
GroupWise - HELPDESK, DHR

## ***Client Assessment / Service Eligibility Determination***

### ***Overview***

We are still in the transition period for the change from the old CAPS (DEMS-360) to the new Oregon ACCESS CA/PS. The new system is being used statewide but not all the clients have reached their assessment due date and been reassessed using Oregon ACCESS. Due to this, the new service/rate eligibility determination conversions had to be done in both systems. Staff from the DHS, Finance and Policy Analysis (FPA) Office of Rate Setting reviewed the existing information in the two client assessment systems and mapped the items to the new requirements for receiving the base rate and each add-on.

### ***Conversion***

- Base rate - The base rate will be coded for any client who qualifies for services under the SDSD 1915 waiver (survivability level of 17 or less).
- Add-ons - The Oregon ACCESS system can determine eligibility for all three add-ons (ADL, Behav, Med Mgmt) but it was decided that the 360-DEMS system only contained enough information to determine the ADL and Behav add-ons.

### ***Oregon ACCESS CA/PS***

Oregon ACCESS CA/PS contains both current and historic records. To display the historic data correctly a conversion will be done to create a new assessment record starting 01/01/2002. The previous record will be closed and moved to history. New records created on or after January 1, 2002 will use the new calculations and reflect the appropriate AFH and RCF base and add-on eligibility. These changes will be included in Oregon ACCESS release 19.1, but the new rate calculations will not be used until January 1, 2002. Please refer to ACCESS Transmittal 01-4 for information on Oregon ACCESS release 19.1.

### ***JC-CAPS/360 Changes***

As stated above, all offices have been “rolled-out” on the Oregon ACCESS CA/PS system and no new client assessment records will be created in the mainframe JC-CAPS system. The system only has one current record and no history, so in JC-CAPS the current record was converted to contain and display the new service eligibility information.

Note: Since it was decided that the mainframe JC-CAPS system cannot establish the medical management add-on no converted records will display eligibility for the medical management add-on. If staff suspect that their clients might be eligible for the medical management add on, they should complete an Oregon ACCESS CA/PS assessment to determine add-on eligibility.

In order to display the new rate structure eligibility information (AFH/RCF base and add-ons), the ALG1 screen has been modified. The base and each add-on are listed on the screen. Fields containing a “Y” indicate eligibility for that item, based upon the

information entered into the assessment record. Fields with an “N” indicate that the client is not eligible for the item. Since JC-CAPS only has one current record and no history, ALG1 will also continue to display the AFC/RCF level information as it was under the old assessment algorithms.

ALG1	AB12345A	SSD 360 -- ALGORITHMS	DATE: 2001/07/19
RECIP: SMITH, JOE	USER: 14	ASMT ACT: 4	CANCEL: N MODE: COMP
ADL MOBL : D	DAILY ADL : Y	PROCEDURES	CARE LEVEL
ADL EAT : D	SLEEP PREP: Y	ROUT CPLX	ALF : 04 05
ADL CONT : D	UNSCH NEED: Y	MED : 01 00	AFC/RCF BASE : Y Y
ADL BATH : D	NIGHT ASST: N	MOBL: 00 00	ADD ONS
ADL GRM : D	MED PROB : Y	EAT : 00 00	MED MGMT : N/A
ADL BEHV : A	STRUC BEHV: Y	BLAD: 01 00	BEHAV : N N
	OTHR NEEDS: N	BWL : 01 00	ADLS : N Y
LESS	MED MGMT : Y	SKIN: 00 00	SURV PRTY : 03 03
CRIT CRIT		HEAT: 00 00	
DEPNT : 02 03	PREV CARE : Y	BEHV: 00 00	FUND RSRC : XIX
ASST : 01 00	SPL DIET : N	OXY : 00 00	ELIG MEDC : Y
	RSRC : Y	TRA : 00 00	ICF/SNF : Y
	OUTC : 1	TOT : 03 00	WVR : Y
CBRS LV CARE : ICF			AFC/RCF LVL : 02
EXT CARE : N	DIAG DESC: MULTIPLE SCLEROSIS		PRE-2002
WARNINGS:			
MSG:			
MSG:			
MSG: D917 NEXT SCREEN? (Y, N, TRANID)			
ANS: N			

### *Client Assessment Communication Tables*

The client assessment communication table inquiry screen has been modified to display the new rate structure information. For the new Base Rate and Add on items, a "00" in the field indicate ineligibility for the item. A "01" in the field indicates eligibility for the item.

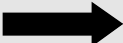
SSEI	Service Eligibility Inquiry	07/19/2001
Prime #	AB12345A	Rsn Cd
Svc Elg Beg Dt	01/01/2002	Svc Elg End Dt 12/31/2002
Asmt Dt	01/01/2002	Asmt Cd
Algorithms Components		
ALF	Base(AFC/RCF)	Med Mgmt
05	01	00
Behav	ADLs	Surv
00	01	03
Serv	AFC/RCF(pre-2002)	
C	03	
Created	01/01/2002	Time 07.34.30.712281
Lst Updated	01/01/2002	Time 07.34.30.712281
		Racf Id HSXXXXXX
		Racf Id HSXXXXXX
Msg		
F10=SSEU F12=SSEQ		

### *JD-CBC/512 Payment System Changes*

The JD-CBC/512 payment system has been modified to retrieve the appropriate rate based on the base and add-on eligibility reflected on the client assessment record. The information comes from the rate tables (URAT) and the exception tables (SRXQ/SRXI described below). No updates will be done on the RATZ screen.

Note: The rates for MHDDSD clients are established for each client/provider and are all entered directly by the MHDDSD central office staff. They do not use the rate tables or the exception tables.

Rate information continues to be displayed on the RATZ screen as follows:

RATZ		SDS CBC PAYMENT SYSTEM				LAST CHG 2001/12/05	
ACT TYPE	4	OPER ID		CANCEL N		MODE	COMP
EFF BEG	2002/01/01	EFF END	9999/12/31	SVC WKR W		FINC WKR MW	
PRIM ID	ABC4321H	RECIP	LASTNAME, FIRST L				
PROV NMBR	555555	PROV NAME	XXXX	PROVNAME	RTIRMNT	CNTR	2ND PROV N
							
MHD	SERV AMT		EXCLUSION(1099)				
AFC	0.00		N				
							
SDSD	BASE	ADD ON	SVC RATE	RATE ADJ		SERV AMT	
ALF	0.00	+	0.00	=	0.00	+	.00 = 0.00
AFC/RCF	917.00	+	225.00	=	1142.00	+	.00 = 1142.00
AFC/RCF DETAIL:							
MED MGMT	BEHAV	ADL'S					
N	N	Y					
ADJ REASON:							
PROVIDER NEGOTIATIONS							
MSG: S-011 NEXT SCREEN? (Y, N, TRANID)						ANS: N	
MSG:							
MSG:							
F5> SCR SNRS F6> SCR SMRQ F7> SCR SADD							

## ***Rate Exception Processing Screens***

### ***Overview***

Under the new rate structure, rate exceptions will all be processed through the central office and no longer be added at the local office level. This process is described in the IM. The DHS-FPA-Office of Rate Setting staff will have new rate exception authorization screens to enter rate exception information. Local office staff and other central office staff will be able to see the exceptions that have been entered.

### ***Conversion***

A conversion will be done that will create an exception record for any existing JD-CBC (512) record that had an exception. The exception record will have begin and end dates that match the dates on the JD-CBC (512) record. No converted exception records will extend beyond 12/31/2001. As part of the conversion, exceptions identified by the DHS,

FPA, Office of Rate Setting staff as approved to start 1/1/2002 will be added to the new tables.

Note: Due to some limitations on the provider type/categories available, some providers listed under the AFH and RCF categories may still get exceptions (for example; vent homes).

## Screens

Field staff will have access to inquiry screens that allow “view only” permission to the rate exception information.

List screen - To access the rate exception information inquiry screens, staff may enter either: SRXQ,{prime number} or SRXQ,{provider number} and press {enter}. The SRXQ screen will display a list of any rate exception records for the prime or provider number entered.

Detail screen - The SRXI screen will display the begin and end date of the exception, the exception reason code, the exception amount, the date the exception record was created, the date the exception record was last updated, and the RACF ID of the person adding or modifying the record. Rate exceptions created as part of the conversion will display SYSCONV as the RACF ID.

### Prime Number Look-Up Sample:

SRXQ

CBC Exception Authorization History

12/10/2001

Prime ID: ABXXXX1X

Client Name: QUE, SUSIE

Provider Number:

Provider Name:

Sel	Begin Date	End Date	Rsn	Amount	Prov Nmb	Provider	Racf Id
___	08/01/2001	08/31/2001	A	170.00	511111	PROVIDER, SALLY	SYS CONV
___	01/01/2001	07/31/2001	A	60.00	512345	PROVIDER, SAM	SYS CONV

Msg:

F10=SRXI F11=SRXU

## Provider Number Look-Up Sample:

SRXQ

CBC Exception Authorization History

12/10/2001

Prime ID:

Client Name:

Provider Number: 5#####

Provider Name: PROVIDER, POLLY

Sel	Begin Date	End Date	Rsn	Amount	Prime Id	Client	Racf Id
	01/01/2001	02/06/2001	D	96.73	AAXXXX1A	SMITH, SALLY	HSABC00
	08/01/2001	08/31/2001	D	80.56	BBXXXX1B	JONES, SALLY	HSABC00
	05/01/2001	07/31/2001	D	80.56	CCXXXX1C	SMITH, SAM	HSXYZ01
	01/01/2001	04/30/2001	D	80.56	CCXXXX1C	SMITH, SAM	HSXYZ01
	01/01/2001	08/31/2001	B	103.04	CCXXXX1C	SMITH, SAM	SYS CONV

Msg:

F10=SRXI F11=SRXU

Staff may access detail information by selecting a row and pressing F10. The SRXI screen will display with the following information:

12/10/2001

Client Name: LASTNAME, FIRST

Provider Name: LASTNAME, FIRST

08/01/2001	08/31/2001	A	170.00
------------	------------	---	--------

Lst Updated: 08/31/2001 Racf Id: SYSCONV

F11=SRXU      F12=SRXQ